

# Air Liquide Australia Modern Slavery Statement 2021

## Introduction

### The reporting entity

This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) (**the Act**) and is submitted as a joint statement on behalf of Air Liquide Australia Limited (**ALA**) and the following subsidiaries:

- Air Liquide Healthcare Pty Ltd (ABN 41 002 653 045) (**ALH**)
- Air Liquide New Zealand Limited (NZBN 942903203612) (**ALNZ**)
- Braids Ltd (ABN 74 001 329 200)

ALA is a large unlisted public company limited by shares incorporated in Australia.

A reference to **Air Liquide** in this document is to ALA, ALH, ALNZ and Braids. A reference to **Air Liquide Australia** is to the above Air Liquide entities which operate in Australia.

## Structure, operations, and supply chains

### Our Structure

The parent company of the above Air Liquide entities is L'AIR LIQUIDE Société Anonyme pour l'Etude et l'Exploitation des Procédés Georges Claude (L'AIR LIQUIDE S.A.) which is headquartered in Paris, France. The Air Liquide Group is a world leader in gases, technologies and services for industry and health. It is present in 75 countries with approximately 66,400 employees and serves more than 3.8 million customers and patients.

ALNZ, ALH and Braids Ltd are wholly-owned subsidiaries of ALA. ALNZ operates in New Zealand. ALA is also a 55% shareholder of Weldex Dandenong Pty Ltd (**Weldex**); due to arrangements concerning management of Weldex, this statement applies to Weldex only to the extent that Weldex sources industrial gases from ALA.

The registered office of ALA, and headquarters for Air Liquide Australia's industrial business, is in Melbourne. The registered office of Air Liquide Australia's healthcare business, namely ALH, is in Sydney. ALNZ's business spans industrial and healthcare and its registered office and headquarters is in Auckland. Air Liquide Australia has 623 employees across Australia, over 28 sites including 14 Air Separation Units/CO2 production plants.

### Our operations

Air Liquide is active in three business lines including:

- Large Industries (ALA and ALNZ)
- Industrial Merchant (ALA and ALNZ); and
- Healthcare (ALH and ALNZ).

#### *Large Industries*

The Large Industries business line offers gas and energy solutions that supply oxygen, nitrogen, argon, hydrogen and carbon monoxide through a network of plants and pipelines to customers in the metals, chemicals, refining and energy industries. These gases are essential for industrial production, and to improve process efficiency and environmental performance of our customer's plant operations.

#### *Industrial Merchant*

The Industrial Merchant business line serves a wide range of markets and customers offering comprehensive gas solutions for the implementation and optimization of their industrial processes.

The Industrial Merchant activity serves five primary markets:

- Materials and Energy
- Automotive and Manufacturing
- Food and Pharmaceuticals
- Technology and Research
- Professionals and Retail

Our Industrial Merchant line sells packaged gases through multiple channels to cover all customer needs. Cylinders are delivered directly to the customers' doors or picked up through Air Liquide's agency and distribution network.

#### *Healthcare*

Air Liquide Healthcare is a leading provider of respiratory care services and medical gases and equipment in Australia and New Zealand. It provides patients with oxygen, sleep apnea treatment products, related equipment and services across the country. It also supplies medical gases and related equipment and services to thousands of medical facilities, healthcare professionals and laboratories across Australia and New Zealand. Products and services are provided both directly and through a network of agents.

#### **Our Supply chain**

Air Liquide's supply chain includes over 100 direct suppliers who provide a variety of goods and services from 11 countries in order for Air Liquide to carry out its operations. Key categories of expenditure are energy, water, steam, different types of gases, industrial equipment and transportation services.

The majority of the products sold by Air Liquide are gases produced in Australia and New Zealand using raw materials sourced from Australia or New Zealand as applicable. We also sell third-party products which we import from various locations, mainly Singapore, Malaysia, Qatar, the United Arab Emirates and Germany. These imports include industrial equipment, medical devices and other gases.

## **Risks of modern slavery practices in our operations and supply chains**

In examining our operations and supply chain, Air Liquide has determined the risk of causing, contributing or being directly linked to modern slavery as low, based on the country-specific assessment of our suppliers, and both the industries and countries (Australia and New Zealand) in which we operate presenting a low inherent risk of forced labour, child labour and other forms of modern slavery.

#### **In our operations**

As at the date of this statement, there have been no occurrences of modern slavery in our operations reported through our grievance mechanism (described below).

Sourcing around 80% of our workforce directly and maintaining a strong policy environment in relation to workplace relations gives us confidence that modern slavery risks are low. In addition, to ensure the risk of modern slavery is reduced as far as possible, we source the remainder of our workforce from a limited number of recruitment agencies who have passed our approval process. Our approval process includes conducting background and reputational checks, and ensuring the agency has appropriate processes implemented to check that the staff they provide to us have working rights and other appropriate checks are conducted.

#### **In our supply chain**

As noted above, the majority of the products that we sell are produced in Australia using Australian sourced raw materials.

Air Liquide uses the services of external transport providers and supplies its products both directly and indirectly through a national network of suppliers and agents. As such, Air Liquide is aware of the potential risk of contributing to or being linked to modern slavery through its relationships with these businesses and their activities.

The extent of supply chain risk is dependent on a number of factors including the level of human rights protection and/or enforcement in the countries where our suppliers including service providers and agents operate or source from and inherent risks associated with the various product categories; we perform our assessment of modern slavery risk taking these factors into account.

Since the majority of products and services sourced are produced or performed in Australia, we have identified the risk of contributing or being directly linked to modern slavery risks as low (based on the insights gained from the Global Slavery Index). However, to ensure modern slavery is not going undetected in Air Liquide's supply chain, due diligence processes have been implemented and further processes will be implemented as described in the following section.

## Actions taken to assess and address these risks, including due diligence and remediation processes

### Policies

We aim to uphold high ethical standards and ensure that there is no modern slavery in our supply chains or in any part of our business. Our extensive suite of policies and procedures guide the actions of our people, including how we work with each other, our recruitment and purchasing practices and our engagement with customers to identify, prevent and mitigate the risk of modern slavery violations in our supply chains and operations. An overview of these policies and procedures is set out below.

Our Anti-slavery Policy was adopted in 2020 and sets the minimum standards expected of all entities in scope. It can be found on our [website](#) and is referred to in Air Liquide's [Terms & Conditions](#) for purchase of goods and/or services as well as the Air Liquide's Packaged Gases [Supply Terms](#), both of which have modern slavery clauses.

Our Anti-slavery Policy encourages the reporting of any instances of suspected modern slavery incidents in accordance with our [Whistleblower Policy](#).

Other relevant policies that address modern slavery or human rights in a broader sense include:

- [Supplier Code of Conduct](#)
- [Group Code of Conduct](#)
- Sustainable Procurement policy
- Procurement code of conduct
- HR Policy
- Corporate Social Responsibility Policy
- The Prevention of Societal and Environmental Risks

Air Liquide reserves the right in its purchasing terms and conditions to verify the Supplier's compliance with relevant policies by way of asking the Supplier to complete a questionnaire, or to participate in an audit issued or conducted by Air Liquide or by a third party engaged by Air Liquide, as well as to issue the Supplier a Rectification Plan if Air Liquide identifies any shortcomings or areas for improvement.

The day-to-day responsibility for developing these policies and overseeing compliance is assigned to relevant departments including HR, Procurement and Legal. Air Liquide requires compliance with these policies and standards from our suppliers. We consider that, on the whole, the implementation of our company values and policies establishes an ethical culture and environment which does not tolerate or knowingly allow modern slavery to enter Air Liquide Australia's operations or supply chain.

### Due Diligence

Air Liquide Australia has adopted Air Liquide Group's risk-based approach to Human Rights due diligence, including modern slavery, mainly focusing on direct suppliers. Our due diligence approach requires a minimum level of initial due diligence for suppliers. This initial risk assessment informs the appropriate level of further due diligence for supplier selection, prioritising suppliers by their level of inherent risk.

For ALA and ALNZ, as part of the supplier engagement process, all new suppliers are required (except as otherwise agreed) to accept Air Liquide's standard purchasing terms & conditions (which include a modern slavery clause), and to accept the Air Liquide Group Supplier Code of Conduct which includes minimum standards in respect of broader human rights issues. Prior to supplier approval, a basic check on modern slavery and other corruption issues is conducted. In general for Air Liquide, all suppliers are encouraged to sign up to the standard purchasing terms and conditions (which include the modern slavery clause and which link to the Supplier Code of Conduct).

After this initial step, a supplier risk assessment is conducted for new and existing suppliers using four criteria:

- Risk relating to the nature of the supplier's activity;
- Risk relating to the country in which the supplier carries out its main activity;
- Air Liquide Australia's current spend with the supplier; and
- Air Liquide Australia's dependency on the supplier.

The combination of the four selected criteria leads to the identification of the most critical suppliers to which Air Liquide is exposed in its supply chain, who are prioritized in the implementation of further assessment and management measures.

Air Liquide's risk assessment procedures contemplate that further risk assessment should be carried out by third party evaluations of corporate social responsibility (CSR) performance or an internal questionnaire established by Air Liquide Group. Questions will cover human rights topics, including modern slavery as well as other CSR related topics. The supplier's CSR performance (based on the supplier's score on a scale of 0 to 100), is assessed and used to identify whether suppliers can be considered to be compliant with Air Liquide's responsible procurement practices, or whether a corrective action plan should be considered.

### **Grievance mechanism**

Air Liquide Australia's Whistleblower policy contains details of how both employees, suppliers and other eligible whistleblowers can report any modern slavery incidents. There are two channels through which eligible whistleblowers (including current and former employees and officers, suppliers and their employees, and associates, dependents and relatives of each of the foregoing) can raise grievances or concerns regarding conduct occurring at Air Liquide. Individuals are able to report the matter internally to any of our eligible recipients (which include the Lead HR Business Partner, Lead Legal Counsel or the Ethics Correspondent in their respective business unit), or to make a report anonymously via our Air Liquide Group whistleblowing hotline Ethicall (available to employees and regular subcontractors). We encourage our employees to disclose reportable conduct by making them aware of the policy and hotline through face to face training and via posters around our sites.

### **Remediation**

Air Liquide has built in various contractual protections in its supplier contracts. In the event of a modern slavery violation by its supplier, these could be relied upon to provide leverage to pressure the supplier to provide remediation to any victim of the relevant modern slavery violation.

### **Training**

Training sessions for our procurement teams have been held to maintain their awareness of our Anti-slavery Policy and to enhance their awareness of how to mitigate modern slavery risks.

Training on identifying, preventing and mitigating modern slavery has also been provided to other employees during the reporting period. The training includes an overview of most of the above mentioned policies and procedures as well as "red flags" that may indicate the existence of modern slavery.

## How the reporting entity assesses the effectiveness of these actions

We acknowledge that assessing the effectiveness of the systems and processes we have in place is critical to ensuring we can identify and reduce modern slavery risks in our supply chain and operations. As such, Air Liquide continues to review our potential modern slavery risks across our operations and supply chain.

During the reporting period Air Liquide continued to assess the effectiveness of our modern slavery risk management framework by:

- Tasking members of its human resources, procurement and legal teams with responsibility for promoting the importance of risk mapping processes, compliance with the anti-slavery policy and due diligence processes in order to drive improvements
- Aligning (to the extent practicable) modern slavery related risk management practices across entities by encouraging dialogue between key internal stakeholders and sharing of best practice
- Undertaking modern slavery risk assessments and due diligence to monitor changes and trends in our risk profile across both our operations and supply chains
- Conducting an assessment of the current due diligence process to identify aspects which may be ineffective
- Training employees to enhance awareness of modern slavery risks and understanding of the modern slavery policies and processes in place to identify and address those risks

## Process of consultation

In performing the actions described throughout this Statement, each reporting entity was consulted and input sought from key stakeholders in the reporting entity's procurement, legal and HR teams.

## Signatory:

Air Liquide Australia is strongly committed to upholding all human rights and employees' rights and fully supports the Australian Government initiatives with the aim of eliminating all forms of modern slavery. We expect all our business partners, suppliers, contractors and sub-contractors to join us in our approach.

This statement has been approved by the board of directors of Air Liquide Australia Limited and Air Liquide Healthcare Pty Ltd.



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Tim Kehoe  
Managing Director  
Air Liquide Australia Limited

**Date: 28-Jun-22**



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Tony Kelly  
Managing Director  
Air Liquide Healthcare Pty Ltd

**Date: 28-Jun-22**